

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.

BORROWER NAME

Western Wahkiakum County Telephone Company

INSTRUCTIONS-Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.

PERIOD ENDING

December, 2015

BORROWER DESIGNATION

WA0535

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII
(Check one of the following)

☐ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	1,654,260	865,390	25. Accounts Payable	30,705	35,462
2. Cash-RUS Construction Fund	279	279	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	20,219	19,974
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt	121,900	137,000
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable	431,710	390,771	32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued	48,914	52,916
c. Notes Receivable			34. Other Current Liabilities	135,886	122,813
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	357,624	368,165
6. Material-Regulated	181,904	294,331	LONG-TERM DEBT		
7. Material-Nonregulated	190	59	36. Funded Debt-RUS Notes		
8. Prepayments	13,903	25,926	37. Funded Debt-RTB Notes		
9. Other Current Assets	424,208	135,907	38. Funded Debt-FFB Notes	2,301,690	2,504,283
10. Total Current Assets (1 Thru 9)	2,706,454	1,712,663	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies	7,071	
a. Rural Development			45. Other Long-Term Debt	2,000,000	1,506,247
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)	4,308,761	4,010,530
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets		413,993	47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits	1,418,985	1,576,834
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	0	413,993	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,418,985	1,576,834
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	20,280,919	20,965,028	51. Cap. Stock Outstand. & Subscribed	54,171	54,171
19. Property Held for Future Use			52. Additional Paid-in-Capital	279,251	279,251
20. Plant Under Construction	62,983	85,104	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	12,501,944	12,986,918	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	7,841,958	8,063,214	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	4,129,620	3,900,919
			58. Total Equity (51 thru 57)	4,463,042	4,234,341
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		
	10,548,412	10,189,870		10,548,412	10,189,870

Total Equity = 41.55% % of Total Assets

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INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues	227,421	245,707
3. Long Distance Network Services Revenues	3,108,921	3,049,185
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues	23,332	22,894
6. Uncollectible Revenues	713	973
7. Net Operating Revenues (1 thru 5 less 6)	67	316
8. Plant Specific Operations Expense	3,360,320	3,318,443
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	452,478	520,123
10. Depreciation Expense	471,145	482,485
11. Amortization Expense	346,790	605,044
12. Customer Operations Expense		
13. Corporate Operations Expense	162,853	173,926
14. Total Operating Expenses (8 thru 13)	903,244	903,594
15. Operating Income or Margins (7 less 14)	2,336,510	2,685,172
16. Other Operating Income and Expenses	1,023,810	633,271
17. State and Local Taxes		
18. Federal Income Taxes	128,192	75,861
19. Other Taxes	264,702	152,471
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)	392,894	228,332
22. Interest on Funded Debt	630,916	404,939
23. Interest Expense - Capital Leases	56,627	55,419
24. Other Interest Expense		
25. Allowance for Funds Used During Construction	22,668	63,265
26. Total Fixed Charges (22+23+24-25)	0	
27. Nonoperating Net Income	79,295	118,684
28. Extraordinary Items	256	2,767
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)	(33,438)	(31,328)
32. Total Taxes Based on Income	518,439	257,694
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date	3,906,181	4,129,620
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)	295,000	243,000
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		243,395
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	4,129,620	3,900,919
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments	0	0
45. Cash Ratio [(14+20-10-11) / 7]	157,474	181,639
46. Operating Accrual Ratio [(14+20+26) / 7]	0.7090	0.6956
47. TIER [(31+26) / 26]	0.8358	0.9137
48. DSCR [(31+26+10+11) / 44]	7.5381	3.1713
	5.9980	5.4031

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INSTRUCTIONS - See RUS Bulletin 1744-2

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Grays River 465	16.80	16.00	40	326	366	204.19	100.87
Naselle 464	16.80	16.00	133	512	645	176.30	102.66
MobileWireless					0		
Route Mileage Outside Exchange Area						2.00	2.00
Total			173	838	1,011	382.49	205.53
No. Exchanges	2						

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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION

4. BROADBAND SERVICE

EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Details on Least Expensive Broadband Service					
			Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Grays River 465	366	274	69	1,500	768			
Naselle 464	645	484	152	1,500	768	29.95	Package	DSL
Total	1,011	758				29.95	Package	DSL

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INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
7	5	314	3.22	2.64

PART E. TOLL DATA

1. Study Area ID Code(s) a. 522451 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)	
	Interstate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	343,913
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	482,388
7. Contribution in Aid to Construction	3,500
8. Gross Additions to Telecom. Plant (1 thru 7)	829,801

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS (a)	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year (b)	Income/Loss This Year (c)	Cumulative Investment To Date (d)	Cumulative Income/Loss To Date (e)	Current Balance (f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

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PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority
with jurisdiction over the provision of telephone services? (Check one)



YES



NO

EQUIPMENT CATEGORY

DEPRECIATION RATE

1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	16.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	20.00%
7. Land and support assets - General purpose computers	20.00%
8. Central Office Switching - Digital	9.00%
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	13.00%
12. Central Office Transmission - Circuit equipment	11.19%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	7.59%
19. Cable and wire facilities - Aerial cable - Metal	20.40%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	6.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.00%
24. Cable and wire facilities - Buried cable - Fiber	5.00%
25. Cable and wire facilities - Conduit systems	4.55%
26. Cable and wire facilities - Other	

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**OPERATING REPORT FOR
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BORROWER DESIGNATION
WA0535

PERIOD ENDED
December, 2015

INSTRUCTIONS – See help in the online application.

PART I – STATEMENT OF CASH FLOWS

1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	1,654,539
CASH FLOWS FROM OPERATING ACTIVITIES	
2. Net Income	257,694
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>	
3. Add: Depreciation	
4. Add: Amortization	605,044
5. Other (Explain) Other items allocated to and from financing activities, includes prior period adjustmentt	0
	(504,610)
<i>Changes in Operating Assets and Liabilities</i>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	40,939
8. Decrease/(Increase) in Prepayments and Deferred Charges	(112,296)
9. Decrease/(Increase) in Other Current Assets	(12,023)
10. Increase/(Decrease) in Accounts Payable	288,301
11. Increase/(Decrease) in Advance Billings & Payments	4,757
12. Increase/(Decrease) in Other Current Liabilities	(245)
13. Net Cash Provided/(Used) by Operations	(9,071)
CASH FLOWS FROM FINANCING ACTIVITIES	558,490
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	0
16. Increase/(Decrease) in Customer Deposits	0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	0
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	(283,131)
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	157,849
20. Less: Payment of Dividends	0
21. Less: Patronage Capital Credits Retired	(243,000)
22. Other (Explain) Other items allocated to and from operating and investment activities	0
	(152,778)
23. Net Cash Provided/(Used) by Financing Activities	(521,060)
CASH FLOWS FROM INVESTING ACTIVITIES	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	(706,230)
26. Other Noncurrent Assets & Jurisdictional Differences	0
27. Other (Explain) Plant adjustments not on line 24 and other items allocated to financing activities	(413,993)
	293,923
28. Net Cash Provided/(Used) by Investing Activities	(826,300)
29. Net Increase/(Decrease) in Cash	(788,870)
30. Ending Cash	865,669

Revision Date 2010

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0535
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	BORROWER DESIGNATION WA0535
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2015
CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS	

Operating Report Checks

Borrower Name: Western Wahkiakum County Telephone Company

Year: 2015

Borrower ID: WA0535

Period: December

Part C: Subscriber (Access Line), Route Mile, & High Speed Data Information

Type	Check Key	Description
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Warning	1360	No change in Subsribers from prior year. Please verify that current figures were used, not the figures from the prior year.
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Borrower Explanation: Counts are correct for the current year 2015